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## Russia

Meat imports into Russia have come under stricter hygienic control. Due to the continuing global bird flu crisis and other health scares, customs officers are clearing imported meat only after it has been inspected by state experts. The meat, in other words, must now be inspected by two agencies before it is allowed entrance into Russia. The agencies are Federal Veterinary and Phytosanitary Oversight Services and the Federal Service for the Oversight of Consumer Protection and Welfare. Other preventive measures being taken concerning poultry include vaccinating all personnel at regional poultry farms against bird flu and emergency checks at nineteen poultry farms in Nizhny Novgorod region. Since July, 2005 more than 600,000 domestic fowl have been destroyed in Russia.

Previously shipments of food products were sent directly to Russia or transshipped through either Western Europe or Baltic and Finnish ports. The advantage of these ports were greater efficiency, fewer problems with loss or damage and overall lower handling costs. Due to changes in import requirements, shipments have been redirected to the ports of St. Petersburg, Novorssisk, Valdivostok and Rostov-on-Don. However, most products destined for the Russian Far East (RFE) enter through the ports of Vladivostok, Vostochny, Vanino, Nakhodka and Magadan. Even though Vostochny is the regions largest port by volume, the majority of U.S. food exports to the RFE enter through Vladivostok.

The greater port of St. Petersburg unloads more than 50 percent of all container shipments to Russia, 12 million tons from January – November, 2005. The container turnover is estimated to have increased 45% in 2005 and will reach 1 million TEU (TEU is a 20 foot container). It is one of the largest ports in the Baltic region and its turnover exceeds the container traffic of all the Finnish ports combined. Transit time from the U.S. to St. Petersburg is 20-27 days, depending on origination, and an additional 4 days shipping by rail to Moscow for the final destination. Moscow is said to consume 90% of the food imported by Russia, about \$15 billion in 2005.

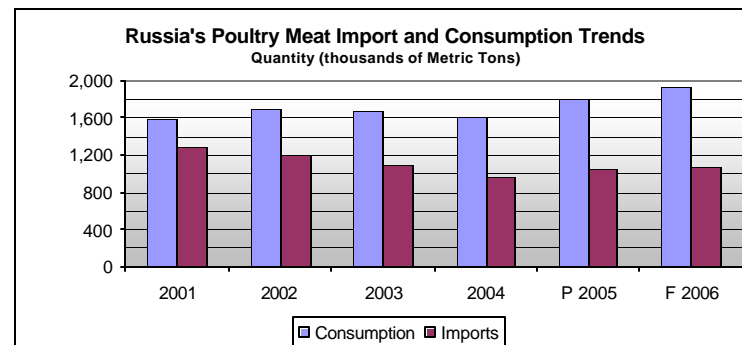
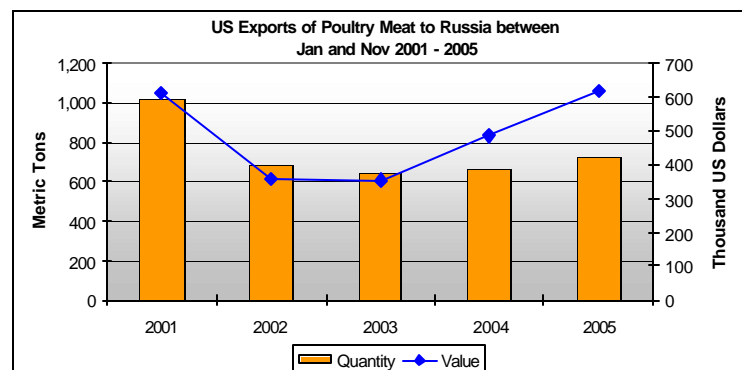
Plans have been announced for a \$280 million investment in the development of the infrastructure of the port with completion estimated by 2010. Plans include the construction of five specialized terminals. The terminals are for containers, refrigerated containers, mineral fertilizers, bulk cargo and metals (alumina). The container terminal will be operational by 2008 and will be able to transship 500,000 20 foot containers. The refrigerated terminal will be able to transfer 1.5 million tons of refrigerated goods and will have a special section for cargo from the United States due to the large volumes of U.S. poultry, fish and fresh fruits that are the major consignee of the Greater Port of St. Petersburg. The other terminals will be able to handle 1.2 million tons of alumina and 3 million tons of bulk cargo.

Russia's reliance on imports underscores the need for safe, reliable sources of food for its 143 million consumers. High world prices for oil and natural gas, increases in sovereign credit ratings and stability in the political situation has caused an overall economic development and consumer spending boom that is beginning to spread beyond Moscow and St. Petersburg into the regions. Approximately ninety percent of food prepared in restaurants and cafes in Western Russia

and forty-four percent of products sold through retail are imported. From January – November, 2005 Russia imported 729,530 metric tons of poultry meat from the United States.

As a result of the reliance Russia has on imports, any import bans placed on exporting countries can affect internal meat prices. For example, after Russian officials met with Brazilian officials in December, 2005 concerning several foot and mouth disease outbreaks, Russian officials announced a one year ban on all beef and pork products from Mato Grosso do Sul and Parana plus six month bans on six other nearby states in Brazil. Once Brazilian meat supplies in storage run low it is expected pork and beef prices to increase by more than 10 percent in the near term and 15-20 percent in the long term. During the first nine months of 2005, 50% of all pork imports and 40% of all beef imports to Russia came from Brazil. Starting January 20, 2006, Russia has also banned all livestock products from the Ukraine.

The Agricultural National Priority Project was announced in early September, 2005 with an aim to increase domestic production of livestock and dairy products by providing interest free loans to businesses that will construct and/or modernize livestock farming facilities. A major aim of the program is to expand the quantity (and reduce the price of leasing) of pedigree livestock by expanding rural credit. Livestock is defined as including dairy cattle, swine, beef and poultry. The loan program started in 2003 that had farmers receiving 3 and 5 year loans with interest tow-thirds funded by the federal budget will continue.



P - Preliminary F - Forecast

Sources: USDA/Foreign Agriculture Service

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending January 7, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	104	463	104	463
Frozen	0	0	0	0
Dried	0	6	0	6
Total	104	469	104	469

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending January 7, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	42	160	42	160
Frozen	0	7	0	7
Dried	0	40	0	40
Total	42	207	42	207

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending January 7, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	0	0	0
Extra Large	720	4,320	720	4,320
Large	0	6,920	0	6,920
Medium	0	1,515	0	1,515
Ungraded	900	0	900	0
Misc	0	0	0	0
Total	1,620	12,755	1,620	12,755

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Jan 20, 2006

**CHICKEN WITH SKIN ADDED**

--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.00-19.00	19.00	240,000	-
WTD AVERAGE	18.00	19.00		
15-20%				
RANGE	21.00	9.00-18.00	1,529,200	40,800
WTD AVERAGE	21.00	13.44		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**U.S./Canadian Live Poultry Slaughtered Under Inspection**

W/E 7-Jan-06 (PRELIMINARY)

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,275	1,400	2,675
Head sltr Comparisons			
Last Week	984	1,173	2,157
Same week yr ago	1,471	1,483	2,954
To-date/2006	1,275	1,400	2,675
To-date/2005	1,471	1,483	2,954

**U.S. Fowl Slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	116	0	116
Last Week	209	0	209
Same week yr ago	301	0	301
To-date/2006	116	0	116
To-date/2005	301	0	301

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**Total U.S. Fowl slaughtered in the U.S. and Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,391	1,400	2,791
Last Week	1,193	1,173	2,366
Same week yr ago	1,772	1,483	3,255
To-date/2006	1,391	1,400	2,791
To-date/2005	1,772	1,483	3,255

Source: USDA/AMS Poultry Programs, Market News Branch

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Jan 20, 2006

**CHICKEN WITH SKIN ADDED**

--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	17.00-18.00	240,000	-
WTD AVERAGE		17.50		
15-20%				
RANGE	14.00-21.00	14.50-17.00	1,884,000	1,404,000
WTD AVERAGE	17.31	15.67		
20% OR MORE				
RANGE	-	14.00	120,000	-
WTD AVERAGE		14.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 20 JANUARY 2006.

The market tone on wing meat with skin and scapula was steady, destrapped tenderloins steady to barely steady, tom breast meat and breast trim steady to instances weak. White meat demand in a full range, mostly moderate to good, instances of improved further processed demand was noted. Offerings of scapula and wing meat with skin light to adequate, balance of white meat adequate to ample. The market tone on rib breasts was steady to barely steady with increased offers noted on all sizes. Demand Light to moderate for the adequate to instances ample supplies. Domestic trading was moderate to active, best on 4-8 lb. breasts, tom breast meat and tom full-cut wings. Export trading slow to moderate. For domestic: body chopping skin 18, Grade A non-basted breasts - 12-14 lb. 165, 14-16 lb. 170, 16-20 lb. 180, Grade A basted 8-10 lb. breasts 135 and 12-16 lb. breasts 160, plant grade non-basted breasts - 12-14 lb. 160, 14-16 lb. 150-165, 16-18 lb. 160, 18-20 lb. 160 plant grade basted 18-20 lb. breasts 175, fresh scapula 117-128 mostly 117-123 cents delivered. For export: frozen -20% mechanically separated turkey (MST) +60 days age 17, fresh -20% MST 20-21, fresh tom drums 38-44, fresh thigh meat 95 cents delivered.

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>	<b>WEEKLY</b>	<b>WEEKLY</b>
<b>FRIDAY, JANUARY 20, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>VOLUME</b>
DRUMSTICKS, TOMS	38.00-38.50		38.17	120	39.59	312
WINGS FULL-CUT - TOMS	22.00		22.00	104	22.11	748
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/	21.00		21.00	104	19.67	156
THIGH MEAT - FROZEN	97.00		97.00	208	94.97	620

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, JANUARY 19, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	39.00		39.00	60
WINGS FULL-CUT - TOMS	22.00-26.00		22.12	644
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	17.00		17.00	52
THIGH MEAT - FROZEN	90.50-95.00		93.69	332

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, JANUARY 18, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	38.00-46.00		41.15	132
WINGS FULL-CUT - TOMS		F	25.50	416
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	19.50	104
THIGH MEAT - FROZEN	95.00		95.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, JANUARY 17, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		F	40.00	40
WINGS FULL-CUT - TOMS		F	25.50	416
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	19.50	104
THIGH MEAT - FROZEN		R	94.67	120

**NO EXPORT TRADING REPORTED DUE TO THE OBSERVANCE  
OF MARTIN LUTHER KING, JR. HOLIDAY**

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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